

rule requirements and the minimum standards of state due process.

4. Amendments: None
5. Dismissals: None
6. Relief Requested: Applicant requests (1) an exception to the statewide spacing limitations set forth in Va. Code § 45.1-361.17 for Well No. 825903.
7. Relief Granted: The requested relief in this cause be and hereby is granted. The Board hereby grants Applicant consent to permit and drill proposed Well No. 825903, 2231.17 feet from existing Well No. 823540, and 2345.44 feet from existing Well No. 21732 at the locations depicted on the Plat attached hereto;
8. Special Findings: The Board specifically and specially finds:
 - 8.1. Applicant is Chesapeake Appalachia LLC Applicant is duly authorized and qualified to transact business in the Commonwealth of Virginia;
 - 8.2. Applicant Chesapeake Appalachia LLC is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
 - 8.3. Applicant claims ownership of Conventional Gas leases on 100% percent of Subject Drilling Unit and the right to explore for, develop and produce Gas from same, i.e., Well No. 825903, as well as from reciprocal wells, i.e., Well Nos. 823540 and 21732.
 - 8.4. The proposed Well 825903 is located on a surface, coal, oil and gas tract consisting of 895.00 acres known as Green Charles & D.M. Charles Tract, and the surface, coal, gas and oil owner has consented to the proposed location for Well 825903 that is depicted on the Plat attached hereto as Exhibit A;
 - 8.5. The Applicant testified it has the right to operate and develop the reciprocal Well Nos. 823540 and 21732 and that the granting of the application filed herein will not impact the correlative rights of any person;
 - 8.6. An exception to the well spacing requirements of Va. Code § 45.1-361.17 for Well 825903 is necessary to efficiently drain a portion of the common sources of supply (reservoir) underlying Subject Drilling Unit, and the Board's granting of the requested location exception is in the best interest of preventing the waste of 400 million cubic feet of Conventional Gas underlying Subject Drilling Unit, and to generally effect the purposes of the Virginia Gas and Oil Act;
 - 8.7. Applicant proposes the drilling of Well No. 825903 to a depth of 5900 feet on the Subject Drilling Unit at the location depicted in Exhibit A to produce all the Mississippian and Devonian age formations including, but not limited to, Big Lime, Berea, and Devonian Shale from surface to a total depth of 5900 feet (Subject Formations");

8.8. Applicant proposes to drill Well 825903 a distance of 268.83 feet closer to Gas Well 823540, and a distance of 154.56 feet closer to Gas Well 21732, than the 2500 feet mandated by statewide spacing;

8.9 Applicant proposes to complete and operate Well 825903 for the purpose of producing Conventional Gas;

9. Mailing Of Order And Filing Of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of receipt of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of receipt of this Order to each person pooled by this Order whose address is known.

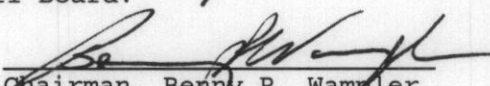
10. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).

11. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

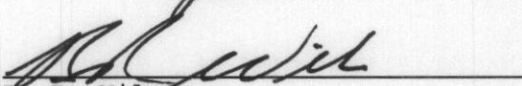
12. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court. Such appeals must be taken in the manner prescribed in the Administrative Process Act, Va. Code Ann. § 9-6.14:1 et seq. and Rule 2A of the Rules of the Virginia Supreme Court.

13. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 18th day of April, 2006 by a majority of the Virginia Gas and Oil Board.

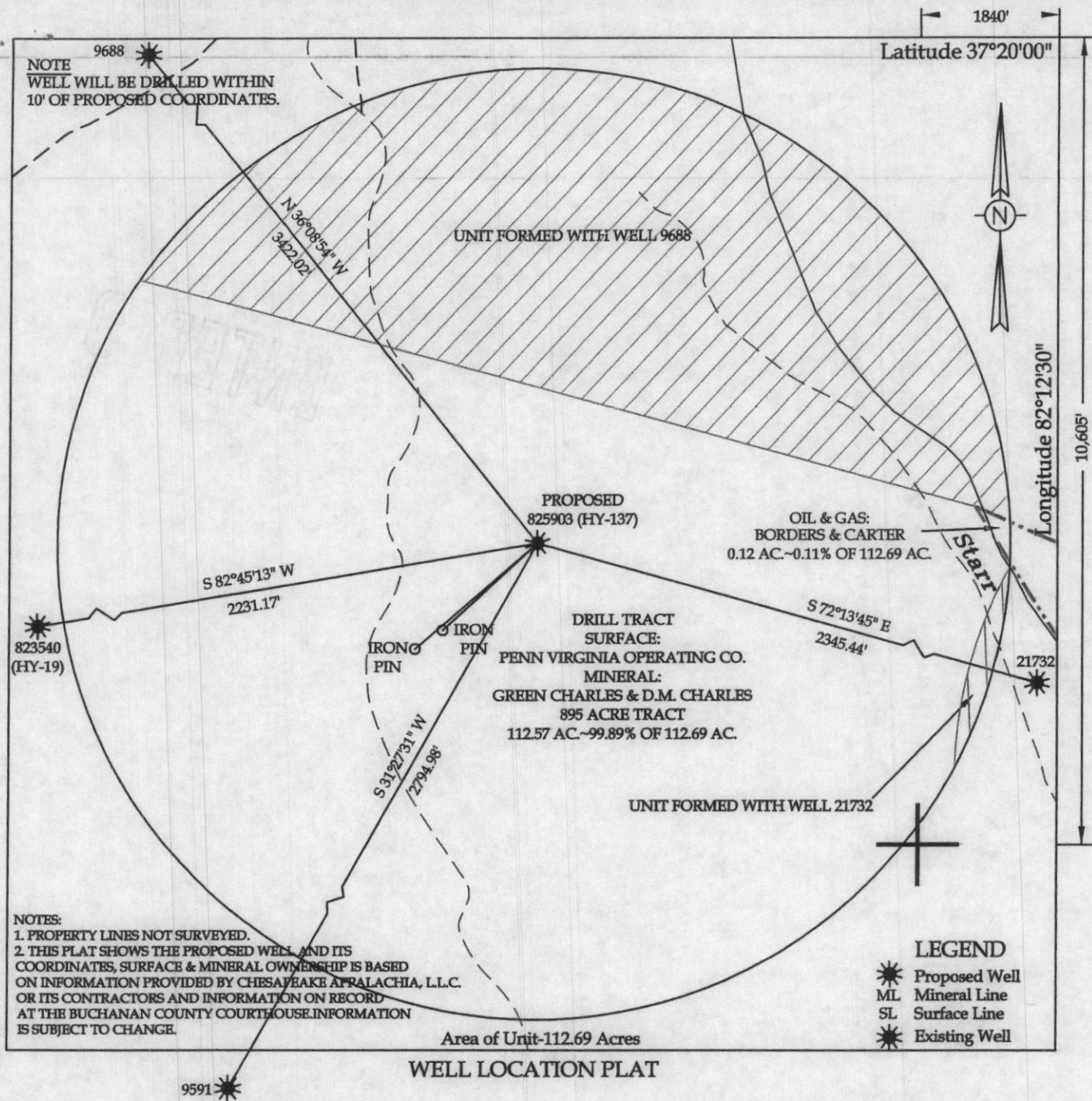

Chairman, Benny R. Wampler

DONE AND PERFORMED this 20th day of April, 2006 by Order of this Board.


E. R. Wilson
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF ~~WISE~~)

Washington



Company CHESAPEAKE APPALACHIA, L.L.C. Well Name or Number 825903 (HY-137)
 Tract No. GREEN CHARLES & D.M. CHARLES (895 AC. TRACT) Quadrangle HARMAN
 District ROCKLICK
 Well Coordinates (Virginia State Plane) N: 374,757.11 E: 919,827.97
 Elevation: 2113.38 Method Used to Determine Elevation: Trig. Levels from GPS derived elevation.
 County BUCHANAN Scale: 1" = 400' Date 2-08-06

This Plat is a new plat X ; an updated plat _____ ; or a final location plat _____ ;

+ Denotes the location of a well on United States topographic maps, scale 1 to 24,000,
latitude and longitude lines being represented by border lines as shown.

